



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING



MARIANNE UDOW
DIRECTOR

December 29, 2006

The Honorable Bill Hardiman, Chair
Senate Appropriations Subcommittee on FIA
Michigan State Senate
State Capitol
Lansing, Michigan 48933

The Honorable Rick Shaffer, Chair
House Appropriations Subcommittee on DHS
Michigan House of Representatives
Lansing, Michigan 48933

Dear Senator Hardiman and Representative Shaffer:

Sec 613(2) of Public Act 345 of 2006 requires the department to notify the senate and house subcommittees with jurisdiction over the department's budget, if the indigent burial services pilot project referenced in this section is suspended. The department, in consultation with representatives of funeral establishments, implemented a pilot indigent burial program in three sites – Delta County, Livingston County, and the Grand River/Warren District in Wayne County. This pilot project was jointly designed by the department and representatives of funeral establishments to test an alternative service that would allow for increase in the reimbursement rate per case without exceeding the appropriated funds for the indigent burial program. The pilot project was conducted from 10/1/06 through 12/15/06. On 12/14/06, the department, in consultation with representatives of the funeral establishments, determined that this pilot approach was more costly than burials paid under existing statewide policy. We, therefore, have suspended the pilot as of 12/21/06. This pilot approach will not be expanded statewide, and all cases in the pilot sites applying after 12/21/06 will be processed under existing statewide policy. We have agreed to continue to explore alternative pilot designs with representatives of the funeral establishments that may achieve the pilot objective.

If you have any questions, please contact John Sorbet, Chief Administrative Officer, at 373-7787.

Sincerely,

Marianne Udow

c: Senate and House Fiscal Agencies
Senate and House Policy Offices
State Budget Director